



Health Services
LOS ANGELES COUNTY

May 18, 2009

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TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

RSplawn for JS

SUBJECT: **MEDICARE PART D IMPLEMENTATION – MONTHLY
STATUS REPORT - APRIL 2009**

This is a status report of the Department of Health Services' (DHS) implementation of the Medicare Part D pilot at two pilot sites, Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC) and Rancho Los Amigos National Rehabilitation Center (RLA NRC). The pilot commenced at MLK-MACC on April 1, 2009 and April 15, 2009 at RLA NRC.

Attached is a copy of the April 2009 monthly status report. The highlights of this month's report include:

- The Medicare Part D pilot commenced successfully at both DHS pilot sites and implemented on time.
- A total of 61 Medicare Part D prescriptions were dispensed at both pilot sites in April 2009, indicating a small number of patients who elected to fill their Medicare Part D prescriptions onsite. Of note, Medicare Part D patients may elect to have their prescriptions dispensed at any of multiple local community pharmacies that participate in the Part D program.

The Department will provide a second post-implementation status report in July 2009 summarizing data collected through June 2009. If you have any questions or need additional information, please let me know.

JFS:srj
808:001

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisor

313 N. Figueroa Street, Suite 909
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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DHS MEDICARE PART D PILOT IMPLEMENTATION

April 2009 Post-Implementation Status Report – Month 1

Rancho Los Amigos National Rehabilitation Center
Martin Luther King, Jr. Multi-Ambulatory Care Center

Objective

The primary objective of this project was to establish two pilot outpatient pharmacy sites within DHS that will allow for processing and billing of DHS Medicare Part D prescriptions. This pilot implementation will seek to gather data on the impact of Medicare Part D prescription program to pharmacy operations, expenditure/revenue, patient acceptance and patient satisfaction through the collection of baseline metrics.

The following specific objectives have been completed:

- Install a dual entry pharmacy information system to allow two DHS outpatient pharmacy sites to enter in billing information and perform online claims adjudication with the contracted Medicare Part D Prescription Drug Plan (PDP) providers.- COMPLETED
- Enter into a contractual relationship with multiple 2009 Medicare Part D PDP providers that provide service to the dual eligible (Medi-Medi) patient population so that prescriptions may be dispensed within the two pilot onsite pharmacies and revenue obtained.- COMPLETED
- Provide patient notice and education regarding Medicare Part D pilot implementation at each pilot site. Finance Department to play integral role in pilot roll-out and revenue assessment.- COMPLETED
- Commence Medicare Part D prescription dispensing services and claims adjudication by April 30, 2009 at two pilot outpatient pharmacy sites. Continue pilot for 6 months.- COMPLETED

The following specific objective is ongoing, and will be reported during duration of pilot:

- Review impact to facility operations as a result of the Medicare Part D pilot implementation. Establish metrics to assess operational, financial and patient care impact for Medicare Part D dispensing services.

DHS MEDICARE PART D PILOT IMPLEMENTATION

Pilot Metrics – Measures of Success – Month 1 (April 2009)

Patient Description - Patients in the pilot were limited to outpatients with a patient visit at Rancho Los Amigos National Rehabilitation Center (RLA NRC) and Martin Luther King, Jr. Multi-Ambulatory Care Center (MLK-MACC). The onsite pharmacies at each of these two facilities provide prescription dispensing to outpatients. Pilot inclusion criteria included: patients visiting the RLA-NRC and MLK-MACC pharmacies enrolled in both Medi-Cal and Medicare (dual-eligible) coverage; no share-of-cost; and enrolled in one of the six California Medicare Part D prescription drug plans (PDPs) designated for low-income beneficiaries.

Impact on Outpatient Pharmacy Operations - April 2009 - Pharmacy operations were not significantly impacted by the implementation of this pilot, as the anticipated number of outpatient Medicare Part D prescriptions dispensed from RLA NRC and MLK-MACC was not significant. Outpatient pharmacy operations impact was measured by change in staffing requirements and pharmacy wait times.

The effectiveness of the pilot was assessed through the collection of the following metrics:

- 1) **Prescription Volume:** The following represents the total number of prescriptions dispensed at each pilot site during the stated month:

Month	Rancho Los Amigos NRC Pilot Start Date – 4/15/09	Martin Luther King, Jr. MACC Pilot Start Date – 4/1/09
April 2009	17 prescriptions	44 prescriptions

- 2) **Outpatient Pharmacy Patient Waiting Time:** The chart below describes the change from the baseline (prior to pilot implementation) patient waiting times at each pilot site pharmacy:

Time Period	Rancho Los Amigos NRC Pilot Start Date – 4/15/09	Martin Luther King, Jr. MACC Pilot Start Date – 4/1/09
Baseline Patient Waiting Time* (average)	15 minutes	45 minutes
Week 1 (April 1-7, 2009)		No change
Week 2 (April 8-14, 2009)		No change
Week 3 (April 15-21, 2009)	+6 minutes	+3 minutes
Week 4 (April 22-28, 2009)	+10 minutes	+3 minutes

* Average wait times between January 1, 2009 to March 31, 2009 (Quarter 1 2009) was used as the baseline measure.

- 3) **Staffing Impact:** No additional staffing was needed at either pilot site location, given the limited number of prescriptions dispensed for Medicare Part D patients.
- 4) **Cost Impact:** The cost impact for provision of Medicare Part D services to RLA NRC and MLK-MACC pharmacies was monitored. The following represents estimated total overall costs and revenue received for Medicare Part D prescriptions during April 2009:

Rancho Los Amigos NRC - Totals				
Month	Cost of drug ingredient + labor	Medicare Part D Claims Billed	Patient co-payment	Net Revenue
April 2009	\$511	\$1,005	\$30	\$524
Martin Luther King, Jr. – MACC - Totals				
April 2009	\$1,928	\$1664	\$72	(\$192)*

* Revenue lower than expected due to inappropriate quantity billed for claims submitted to prescription drug plan. MLK is currently attempting a resubmission of claims to reflect correct quantity.

Conclusions

- The Medicare Part D pilot commenced successfully at both DHS pilot sites.
- A total of 61 Medicare Part D prescriptions were dispensed at both pilot sites during the month of April, representing less than 1% of total prescription volume.
- Lack of sufficient patient survey completions led to inability to provide trending of patient satisfaction. The DHS Medicare Part D work team will evaluate survey distribution with the goal of increasing patient Medicare Part D survey completion.

A second post-implementation report will be provided in July 2009.